

State of California
Department of Insurance
45 Fremont Street
San Francisco, California 94105

**NOTICE OF ADOPTION OF EMERGENCY REGULATION
PURSUANT TO GOVERNMENT CODE SECTION 11346.1(b)**

File No. ER-01-013137

August 13, 2001

California Insurance Commissioner Harry W. Low ("the Commissioner") hereby provides notice that he will submit the adoption of sections 2182.1 - 2182.5 of Article 5.6 of Subchapter 1 of Chapter 5 of Title 10 of the California Code of Regulations (CCR) to the Office of Administrative Law for approval pursuant to California Government Code Section 11346.1(b).

This Notice contains a description of the problem and the necessity for the regulation, a justification for the regulation, and the text of the regulation.

This Notice is provided to every person, group, and association that has previously filed a request for notices of regulatory action with the Commissioner.

The Department will submit this regulation to the Office of Administrative Law for adoption on an emergency basis, along with the Department's rulemaking file, not less than five (5) working days after the mailing of this Notice. Questions regarding this rulemaking action should be directed to:

California Department of Insurance
Legal Division, Automobile Compliance Bureau
Attn: Stan Bair, Staff Counsel
45 Fremont Street, 21st Floor
San Francisco, California 94105
(415) 538-4116
bairs@insurance.ca.gov

DESCRIPTION OF PROBLEM AND NECESSITY FOR REGULATION

California Insurance Code section 1625.5 (Assembly Bill 393, 1999; Chapter 321, Statutes of 2000), which becomes effective January 1, 2002, establishes a personal lines broker-agent license for persons who sell automobile insurance, residential property insurance, including earthquake and flood insurance, personal watercraft insurance, and umbrella or excess liability insurance, as specified. California Insurance Code section 1676 enacts provisions regarding prelicensing and continuing education qualifications for personal lines broker-agents. This legislation requires that candidates for a personal lines license take an qualifying examination and provides for an exemption if a candidate has been continually employed by an admitted insurer or licensed fire and casualty broker-agent in a full-time position for at least three years

prior to January 1, 2001. Section 8 of AB 393 requires the Commissioner to adopt a regulation on an emergency basis to implement the personal lines broker-agent law. The regulation hereby noticed fulfills that legislative mandate by implementing, interpreting, and making specific the provisions of the law.

JUSTIFICATION FOR ADOPTION OF EMERGENCY REGULATION

The regulation is necessary to implement, interpret, and make specific the provisions of California Insurance Code section 1676, and to comply with section 8 of Assembly Bill 393 of 1999 (Chapter 321, Statutes of 2000).

TEXT OF THE REGULATION TO BE ADOPTED

The text of the regulation is attached.